

# City of Cincinnati

March 29, 2013

## FOR YOUR INFORMATION

To: Mayor and Members of City Council

From: Milton Dohoney, Jr., City Manager *MD*

Subject: **2012 Annual Small Business Enterprise (SBE) Report**

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Attached is the 2012 Annual Small Business Enterprise (SBE) Report. The City fully recognizes that SBEs are the backbone of our economic fiber. That is why in 2012 the City's expenditures with certified SBEs was \$34.2 million or 30.1% in construction; \$3.9 million or 13.5% in the professional service category and \$3.4 million or 8.2% in supplies/services category. This equals an overall SBE spend of \$42 million or 22.6%. This is significant since certified SBEs only represent 4% of all City vendors.

The City Council adopted a Small Business Enterprise Program in 1999 with Ordinance No. 335-1999. The City's targeted group for the SBE Program is **Small** Business Enterprises. SBEs can be majority owned, minority owned and/or women owned businesses. Eligibility is based on the businesses meeting the definition of small as defined by the federal government's definition of small in 13 C.F.R. Section 121.103 inclusive of any affiliates. Based on the type of industry, the size standards are set by the gross revenues or number of employees averaged over the past three years. In addition to meeting the size standards, the applicant for City certification must have been in business for at least one year; the personal net worth of each business owner cannot exceed \$750,000; the firm must have a fixed office in Hamilton County for one year prior to application, and the firm must perform a commercially useful function. Also, the business must be certified by the City of Cincinnati for the participation to be counted.

Due to the fact that the City Council adopted SBE Program for Cincinnati is a small business program, the established goals or the targets are only set for certified SBEs. The SBE goals are as follows: construction – 30%, professional services – 15% and supplies/services – 15%. There are no goals established for Minority Business Enterprises (MBE) and/or Women Business Enterprises (WBE) because the City Council adopted SBE Program is a race and gender neutral program.

Since 2009 with the adoption of OPEN Cincinnati and the City's contract with SRL Consulting, the City continues to improve in our strategies, monitoring and reporting. Change is inevitable and there is more change to come. The change in our fiscal year will have an impact on the scheduling of our SBE reporting.

C: David Holmes, Assistant City Manager *DLH*  
Rochelle Thompson, Contract Compliance Officer *RT*